

# Compliance & Ethics Professional

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**Lynette Fons, JD, CCEP**

Chief Compliance Officer and  
member of the Mayor's Executive Staff,  
City of Houston

an interview by Dan Roach

# Meet Lynette Fons

**Lynette Fons** (lynette.fons@houston.tx.gov) was interviewed in March of 2015 by **Dan Roach** (Daniel.Roach@DignityHealth.org), General Counsel and CCO at Optum360 in Eden Prairie, MN.

**DR:** Can you give the readers some basic information about the City of Houston?

**LF:** Houston is the fourth largest city in the United States and the largest City in the southern states. The city has a highly diverse population of more than 2.19 million, based upon the 2013 census, and that population is spread over an area of 599.6 square miles. Houston's city government employs more

than 21,000 people and operates with a general fund budget of approximately \$2.4 billion annually.

**DR:** How long has Houston had a compliance and ethics program? (And if relevant, who were the people who started it?)

**LF:** As a centralized function, modeled on the elements of the Federal Sentencing Guidelines, not long—only since earlier this year. The City has long had policies and procedures in place to help ensure compliant behavior. It also has job functions throughout the City which touch upon compliance

functions to a greater or lesser extent. To this point, however, there has not been a team of individuals with high-level reporting authority whose sole focus and responsibility is city-wide compliance and ethics.

**DR:** What was the impetus for the City's decision to implement a compliance and ethics program?

**LF:** As First Assistant City Attorney, I oversaw the City's litigation and was directly involved in a number of special projects, some of which involved dealing with regulatory agencies at the state or federal level. I had a unique vantage point which allowed me to identify areas where the City had an opportunity to improve its operations.

As a result of what I was encountering, I sought out information about Compliance functions in private industry and initiated several high-level conversations about how the City might reduce its financial and reputational risks by establishing a central, more comprehensive Compliance function. It ended up a concept whose time had come. Other important discussions and activities were taking place at high levels by people with goals aligned with those of a Compliance function. In addition, the Administration was already initiating process mapping, encouraging collaborative team efforts to improve performance, and reducing waste through lean Six Sigma training and process improvements. The ideas and conversations came together and, as they say, the rest is history.

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**DR:** How did you land the role of Chief Compliance Officer for the City of Houston?

**LF:** I was selected for the position by Mayor Annise Parker after I identified what I perceived to be a need and offered a way to address it. Having been involved in identifying and successfully addressing problems in the past, I had a reputation of being a problem solver, and my having taken the initiative to become a Certified Compliance and Ethics Professional (CCEP)<sup>®</sup> probably did not hurt.

**DR:** Explain the reporting structure for the Compliance and Ethics function for the City of Houston.

**LF:** As Chief Compliance Officer, I report directly to the Mayor. The function was placed within the Mayor's Office, and I have regular contact with her and the ability to be placed upon her calendar as necessary. I also anticipate that City Council members will receive regular reports.

**DR:** What relationships do you think are critical for the compliance and ethics program to be effective?

**LF:** In my municipal environment, the support of individual City Council members is critically important, as is the support of each of the City's department directors. Relationships all up and down the chain of command have the potential to help or hinder the program's effectiveness. One of my first calls after being tapped to be Chief Compliance Officer was to SCCE CEO Roy Snell, because professional organizations and



networks are such great resources. I have also reached out to my counterparts elsewhere, particularly those whose organizations are subject to open records requests.

**DR:** What do you think are the keys for making all of these relationships work well?

**LF:** Good communication, respect, integrity, and shared goals. I have made it a point to call upon each of the City's 22 directors, and by the time this article goes to press, will have made my first formal presentation to City Council. These efforts were made for the purpose of introducing key constituents to this new city function, explaining my goals for the program, and to set expectations. I also wanted to show my key constituents that I held them in sufficient regard to call upon them personally and to provide them with information, so they would not be caught off guard if they received questions about how a Compliance function might relate to or impact their operations. Though I thought it unlikely that anyone would conclude that I would be taking over their compliance-related responsibilities, or that our compliance challenges would be miraculously resolved by reason of my appointment, I also wanted to make sure that expectations were appropriate. Communicating how my goals as Chief Compliance Officer compliment the goals of others has been valuable in helping strengthen relationships, because it allayed concern and allowed me to be viewed as a

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partner rather than an adversary. Equally important is a commitment to act in a way that gives no one the cause to challenge your integrity.

**DR:** What do you perceive as the unique challenges that are associated with implementing an effective compliance and ethics program in a very public organization like the City of Houston?

**LF:** Like any governmental entity, the City of Houston is very transparent. We are subject to open records requests and procurement laws, and Houston is a bit unique in that its City Council does not go into executive session. As the major city in a major media market, we also have multiple news outlets with reporters assigned to the City. So much

"sunshine" on the City's activities adds complexity to the compliance environment because of its potential to impact such things as public sentiment, resource allocation, communications, and priorities.

**DR:** Compliance and ethics programs are fundamentally about shaping human behavior. Which tools do you use to drive desired behaviors within the City of Houston workforce?

**LF:** Different people respond to different motivational tools. The business case for establishing an Office of Compliance and Ethics played a significant role in the function being initiated. The unknown can be scary and a lack of communication enables people to

jump to incorrect conclusions. I see myself as a partner and facilitator rather than the grand inquisitor, and I try to make that clear when I speak to department directors and others. Early on, I called upon the head of each of the City's 22 departments to discuss my role, how I planned to interact with their department, and the circumstances which might result in my "reporting up" about matters taking place in their department. I also sought their insights. I see my job as one which will help identify and marshal resources, recognize training deficiencies, and help develop and see that necessary training is efficiently delivered. I would far rather help someone succeed and assist in finding the tools they need to do it than call someone out, but that option is in my arsenal. Further, the benefit of having the authority of the Mayor's Office behind the Office of Compliance and Ethics cannot be underestimated.

**DR:** Cities are political entities. How do you stay above the political fray?

**LF:** The focus of Houston city government is good governance, not politics. I work to stay apolitical. I vote in elections and do my homework before I do, but I do not become involved in political campaigns or endorse candidates and do not use political persuasion as a litmus test when making a hire.

**DR:** What advice do you have for the governing body of a city or county? What advice do you have for the newly hired CECO in a city or county?

There are a number of reporting mechanisms available for employees and/or citizens, and information about them can be found on the City's website. I will also react to reports made to me.

**LF:** Try not to be overwhelmed. A great piece of advice I was given from someone in the field of healthcare compliance was to keep your focus. Particularly in the early days, it is easy to be caught up in the crisis de jour and lose site of the importance of the framework necessary for the long-term health of your compliance program. I did not have the luxury of making the world stop so I could concentrate on crafting the

City's framework before turning to anything else, but I did try to prioritize my activities. I would also like to suggest that those of us in city or county government start and continue to have a conversation, among ourselves and with city and county leaders, about compliance.

**DR:** Does the City of Houston utilize any anonymous reporting line to encourage reporting of potential compliance issues? If so, is that number published to the city's residents as well as employees?

**LF:** Yes, we have a 311 number that will accept calls from persons unwilling to identify themselves. We also have an Office of Inspector General whose job it is to investigate claims of fraud, waste, and abuse. The OIG does not have an obligation to investigate claims made anonymously, but may choose to do so. There are a number of reporting mechanisms available for employees and/or citizens, and information about them can be found on the City's website. I will also react to reports made to me. Information received via electronic or regular mail is also taken seriously.

**DR:** Does the scope of the program extend to vendors and contractors as well?

**LF:** Yes. City contracts already contain clauses requiring vendors and contractors to act in conformance with the law. The formalized process will help ensure that such requirements are uniformly appreciated as being more than boilerplate and appropriately monitored no matter who at the City has direct responsibility for the contract.

**DR:** What kind of reaction do you get from city residents when you tell them you are the Compliance Officer for the City?

**LF:** The reaction is favorable, but surprised. Surprised because I am the City's first Chief Compliance Officer. To the extent they have thought about it at all, the majority of people I have discussed the post with assumed the function already existed. A number of city employees have been downright excited. They are excited because the mayor has made compliance a priority and because they now have a new partner who is interested in their success in being both compliant and ethical.

**DR:** What do you perceive to be the biggest compliance risks for the City?

**LF:** Because of the variety of activities falling under city government's umbrella, and the infancy of the centralized Compliance function, we are still involved in our initial risk assessment process. We are

still at the stage where we are identifying key resources and establishing work groups and performing preliminary audits. An enterprise risk assessment conducted by third parties is underway and I am mining existing sources, such as audits performed by our City Controller's Office, to

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help identify matters warranting immediate attention. The City has clear compliance challenges related to its having information scattered in many different places. We have an array of written policies, procedures and executive orders, but they are not comprehensive and do not always include a process for identifying and effectively remediating risks.

**DR:** Thank you, Lynette. \*

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